

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicant : Howard W. Lutnick  
Application No. : 10/015,738 Confirmation No. : 3474  
Filed : December 12, 2001  
For : METHODS AND SYSTEMS FOR TRADING  
FUTURES CONTRACTS FOR INTANGIBLE ASSETS  
Group Art Unit : 3609  
Examiner : Michael R. Zecher  
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Commissioner for Patents  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

**PRE-APPEAL BRIEF REQUEST FOR REVIEW**

Sir: Applicant requests review of the Office Action mailed January 18, 2008. No amendments are being filed with this request. An amendment after final has previously been filed to place the claims in better form for appeal. This request is being filed with a Notice of Appeal.

**ARGUMENTS**

The Examiner has not addressed all claim limitations in Applicants' claims and therefore has failed to make *prima facie* cases for rejections made in the Final Office Action. Applicants therefore requests review.

Specifically, to reject claims under 35 U.S.C. § 103, the Examiner must show an un rebutted *prima facie* case of obviousness. See In re Rouffet, 149 F.3d 1350, 1355 (Fed. Cir. 1998). To establish a *prima facie* case of obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. See In re Royka, 490 F.2d 981 (CCPA 1974). The Examiner has failed to show that each claim limitation is taught or suggested by the prior art and therefore has failed to make a *prima facie* case for obviousness for the claims discussed below.

**A SEPARATE ARGUMENT FOR PATENTABILITY OF CLAIMS**

- (A) The Examiner failed to establish a *prima facie* case of obviousness in rejecting independent claims 1, 7, 9, 10, 11, 20, 21, 24, and 26 (All Independent claims).

Applicants' claims are directed at allowing secondary trading (i.e., trading with parties other than the issuer) of a futures contract that has particular characteristics. The Examiner fails to make a *prima facie* case of obviousness by not identifying any combination of references that

includes, for example: *Providing...indications designed to permit **secondary trading** between **current holders** of the futures contracts and **prospective holders** of the futures contracts.*

The combination of references identified by the Examiner, instead, describes a futures contract market that includes a supervisory institution for governing traders of futures contracts that do not include the characteristics recited in Applicants' claims. To address those characteristics, the Examiner relates the characteristics to the rights of the supervisory institution included in the futures contract market. However, such a relationship fails to address a basic premise of Applicants' claims—allowing secondary trading of futures contracts—because the supervisory institution does not trade in any secondary market for futures contracts.

Specifically, the Examiner rejected independent claims 1, 7, 9, 10, 11, 20, 21, 24, and 26 under 35 U.S.C. § 103 as being obvious in view of the combination of U.S. Patent No. 5,970,479 to Shepherd (hereinafter "Shepherd '479") and U.S. Patent No. 7,149,720 to Shepherd (hereinafter "Shepherd '720"). See Office Action of January 18, 2008 at page 2, paragraph 3.

The Examiner failed to show that the combination of Shepherd '479 and Shepherd '720 teaches or suggests all the claim limitations of any of claims 1, 7, 9, 10, 11, 20, 21, 24, and 26 and as such, failed to establish a *prima facie* case of obviousness with respect to these claims.

Claim 1 is representative of these claims. Claim 1 recites, in part:

*providing...indications designed to permit **secondary trading** between **current holders** of the futures contracts and **prospective holders** of the futures contracts*  
and

*the futures contract obligates a **holder** of the futures contract to make a future payment obligation of an obligee to an obligor and entitles the **holder** to control a future performance obligation of the obligor.*

The Examiner indicated that Shepherd '479 (Abstract; Column 1, Lines 65-66; and Column 2, Lines 30-31) discloses a system designed to provide information about a **secondary market** for a plurality of futures contracts. The Examiner indicated that, therefore, Shepherd '479 discloses claim limitations that include "*providing...indications designed to permit*

*secondary trading between current holders of the futures contracts and prospective holders of the futures contracts.”*

The Examiner indicated that Shepherd ‘479 does not disclose “*the futures contract obligates a **holder** of the futures contract to make a future payment obligation of an obligee to an obligor and entitles the **holder** to control a future performance obligation of the obligor,*” as recited in claim 1. However, the Examiner indicated that Shepherd ‘720 (Abstract; Column 5, Line 36 to Column 6, Line 19; and Column 65, Lines 25-30) discloses “*a supervisory institution that holds a futures contract, whereby the supervisory institution instructs each party to either perform or pay based on the transfer of entitlements.*” Office Action of January 18, 2008 at page 3. The Examiner contends that, therefore, Shepherd ‘720 in combination with Shepherd ‘479 discloses the limitation that “*the futures contract obligates a **holder** of the futures contract to make a future payment obligation of an obligee to an obligor and entitles the **holder** to control a future performance obligation of the obligor,*” as well as the previously discussed limitation of claim 1.

In discussing Shepherd ‘720, the Examiner’s argument puts the “supervisory institution” of Shepherd ‘720 in the role of the “**holder**” in claim 1. However, the Examiner does not identify that the “supervisory institutions” are permitted to engage in **secondary trading** or that any indications designed to permit such **secondary trading** by the “supervisory institutions” are provided to/by any entity in either Shepherd ‘479 or Shepherd ‘720, as would be required to establish a *prima facie* case of obviousness of claim 1 under the Examiner’s argument. Therefore, the proposed combination of Shepherd ‘479 and Shepherd ‘720 cannot disclose the limitation of “*providing...indications designed to permit secondary trading between current holders of the futures contracts and prospective holders of the futures contracts*” if the “supervisory institution” takes on the role of the **holder** in claim 1 as argued by the Examiner.

Accordingly, the Examiner’s arguments fail to show that the combination of Shepherd ‘479 and Shepherd ‘720 teach or suggest all limitations of claim 1, and the Examiner, therefore, failed to establish a *prima facie* case of obviousness with respect to claim 1. Claims 7, 9, 10, 11,

20, 21, 24, and 26 have similar limitations and for at least the same reasons, the Examiner has also failed to make a *prima facie* case of obviousness for these claims as well.

**A SEPARATE ARGUMENT FOR PATENTABILITY OF CLAIMS**

**(B) The Examiner failed to establish a prima facie case of obviousness in rejecting dependent claim 22.**

Applicants' claim include a step of "making a payment" that the Examiner confuses with "providing analysis tools" cited in other claims. It is indisputable that a payment is not an analysis tool, and therefore the Examiner fails to address the limitations of claim 22.

Specifically, The Examiner rejected dependent claim 22 under 35 U.S.C. § 103 as being obvious in view of the combination of Shepherd '479 and Shepherd '720. See the Office Action of January 18, 2008 at page 6. The Examiner failed to show that the combination of Shepherd '479 and Shepherd '720 teaches or suggests all the claim limitations of claim 22 and, as such, failed to establish a *prima facie* case of obviousness with respect to claim 22. Claim 22 recites, in part: "*making the future payment includes making a payment to the obligor at a date identified by the at least one futures contract.*"

The Examiner indicated that claim 22 recites limitations similar to claim 8 and that Shepherd '479, Figure 19 teaches claim 8. In contrast to claim 22, claim 8 recites, in part: "providing analysis tools related to the at least one futures contract." In contrast to claim 22, Shepherd '479, Figure 19 illustrates a process for receiving primary risk management contracts. Figure 19 does not indicate that a payment is made to any party at any specific date.

Accordingly, the Examiner failed to show that the combination of Shepherd '479 and Shepherd '720 teaches or suggests all the claim limitations of claim 22, so the Examiner failed to establish a *prima facie* case of obviousness with respect to claim 22.

**A SEPARATE ARGUMENT FOR PATENTABILITY OF CLAIMS**

**(C) The Examiner failed to establish a prima facie case of obviousness in rejecting claims 3, 10, 19.**

Applicants' claims include a separate step of executing a trade that is not addressed by the cited sections of references relied upon by the Examiner. The Examiner cites only a definition of a "secondary risk management contract" that is offered for trade, and a figure that

shows a process for updating data files, thereby confusing execution of a trade, as recited by Applicants' claims with the offering of an item for trade and updating of trade information.

Specifically, The Examiner rejected claims 3, 10, and 19 under 35 U.S.C. § 103 as being obvious in view of the combination of Shepherd '479 and Shepherd '720. See the Office Action of January 18, 2008 at pages 4 and 6. The Examiner failed to show that the combination of Shepherd '479 and Shepherd '720 teaches or suggests all the claim limitations of any of claims 3, 10, and 19, and, as such, failed to establish a *prima facie* case of obviousness with respect to these claims.

Claim 3 is representative of these claims. Claim 3 recites, in part: "*executing a trade of the at least one futures contract.*" The Examiner indicated that Shepherd '479, Figure 27 and Column 55, Lines 55-59 teaches claim 3. Shepherd '479, Column 55, Lines 55-59 recites:

"Secondary" risk management contracts are pre-existing "primary" risk management contracts offered for trade (individually or as a portfolio) by a "risk-counterparty" stakeholder to the underlying contract.

Shepherd '479, Figure 27 illustrates a process that updates files with current information. In particular, "contracts are read from the file PORD CONF and are then time-stamped and written to the file INTREG as two records." Shepherd '479, Column 51, Lines 40-48.

Nowhere in Figure 27 or Column 55, Lines 55-59 does Shepherd '479 disclose "*executing a trade of the at least one futures contract.*" Accordingly, the Examiner failed to show that the combination of Shepherd '479 and Shepherd '720 teaches or suggests all the claim limitations of claim 3, so the Examiner failed to establish a *prima facie* case of obviousness with respect to claim 3. Claims 10 and 19 have similar limitations and for at least the same reasons, the Examiner has also failed to make a *prima facie* case of obviousness for these claims as well.

### **CONCLUSION**

Because the Examiner failed to establish a *prima facie* case of obviousness for the identified claims, withdrawal of rejections of these and any dependent claims is requested.

April 18, 2008  
Date

Respectfully submitted,  
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